

## Message Text

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44

ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 AID-05 CIAE-00 COME-00 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 SS-15 L-03 NSC-05 FEAE-00

OES-06 H-02 /084 W

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R 121101Z APR 76

FM AMEMBASSY COLOMBO

TO SECSTATE WASHDC 4618

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E.O. 11652:N/A

TAGS: EINV, ECON

SUBJECT: ESSO NEGOTIATIONS

REF: (A) COLOMBO 1309; (B) STATE 80206; (C) COLOMBO 1146

1. ALTHOUGH ESSO REPRESENTATIVES WISH THEY COULD HAVE LEFT SRI LANKA WITH US \$144,000 CHECK, THEY FEEL CERTAIN REMITTANCE WILL BE MADE AS DESCRIBED IN THEIR MESSAGE (REF (A)) TO ESSO HOUSTON. "TECHNICAL DIFFICULTIES" THEY DESCRIBE IN RFTEL STEMMED FROM APRIL 8 DEPARTURE OF CEYLON PETROLEUM CORPORATION (CPC) CHAIRMAN WHICH LEFT ACTING CHAIRMAN UNAUTHORIZED TO MAKE PAYMENT WITHOUT SPECIAL DIRECTORS MEETING. ACCORDING TO ACTING CHAIRMAN THIS COULD NOT BE DONE IN TIME. BECAUSE OF PRESENT ONE-WEEK HOLIDAY, FINAL DOLLAR REMITTANCE IS THEREFORE DELAYED UNTIL WEEK OF APRIL 19.

2. ALTHOUGH FINAL COMPENSATION FIGURE WAS NOT CONFIRMED IN WRITING BY GSL, ESSO DOES HAVE WRITTEN TAXATION AND FOREIGN EXCHANGE AUTHORITY FOR REMITTANCE AT APRIL 9 EXCHANGE RATE. BECAUSE SL RUPEE REMAINS TIED TO POUND STERLING, ESSO LOST US\$6000 OVERNIGHT AS RUPEE  
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FOLLOWED RAPIDLY DEPRECIATING POUND.

3. WE BELIEVE ESSO'S INSISTANCE ON REASONABLE COMPENSATION IN FOREIGN EXCHANGE AND USG'S STRONG SUPPORT DURING LAST MONTH LED TO SETTLEMENT OF THIS CASE. ACCORDING ESSO NEGOTIATORS, INDUSTRIES MINISTER SUBASINGHE BEGAN FIRST NEGOTIATING SESSION BY MENTIONING WITH SOME HEAT SEVERAL EXPRESYONS OF CONCERN FROM AMERICAN EMBASSY AND SPECIFICALLY CITING TELEGRAM FROM AMBASSADOR KANAKARATNE. ESSO REPRESENTATIVE CASWANY RESPONDED THAT ESSO HAD ONLY KEPT USG INFORMED.

4. ALTHOUGH THIS CASE SHOULD NOT BE CONSIDERED SETTLED UNTIL REMITTANCE IS MADE, WE WANT TO THANK WASHINGTON AGENCIES FOR ADVICE AND SUPPORT THROUGHOUT. WE ALSO ASK THAT DEPARTMENT CONVEY TO ESSO HOUSTON OUR OUR APPRECIATION OF SKILL AND TACK OF THEIR NEGOTIATORS FROM BOMBAY; A.G. NEFF THROUGH DECEMBER 1975 AND N.R. VASWAMI AND P.N.SARDESAI SINCE THEN, ESSO'S LOCAL REPRESENTATIVE, MR. ZAIN MARKAR, HAS BEEN COMPLETELY COOPERATIVE THROUGHOUT. WHEN CASE FINALLY CLOSED, WE WILL SEND COMPLETE REPORT AND POUCH DOCUMENTATION ALONG WITH SEVERAL RECOMMENDATIONS WHICH MAY BE OF USE IN OTHER COMPENSATION NEGOTIATIONS.  
VAN HOLLEN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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